THE MAGNET

ENCOMPASS Newsletter

Issue 4   March 1, 2007

GMIS v8.9 Walkthrough
Highlights

GMIS held two more PeopleSoft v8.9 walkthrough sessions on Thursday, February 22nd. At this session at least 78 people showed up from 25 different agencies. The 8.9 walkthrough session illustrated some of the key differences between PeopleSoft v8.4 and PeopleSoft v8.9.

In the third issue of The Magnet, we mentioned that the upgrade will occur in March 2007. At the request of several agencies, the upgrade has been moved to mid-April to accommodate end of quarter processing.

An upgrade is usually done every other year in order to take advantage of improved visibility and new features and functions. The upgrade also allows the State to remain current on their support from Oracle/PeopleSoft. The last upgrade was in October 2003.

Although many of the features will remain the same, the upgrade will result in some changes to what you currently see. Some of these changes include:

- More information on fewer pages;

- More online inquiry pages;

- Redesigned "Purchase Order", "Create Requisition", "Manage Requisition", and "Approve Requisition" pages to make the process quicker and more efficient;

- The ability to enter mass update chartfield values on a single journal;

- Better information about why a budget exception happened;

- A re-written budget checking process that runs in the background, to improve performance;

- More automated batch processes that work in the background.

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GMIS v8.9 Walkthrough
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An upgrade goes through several phases. The first pass consists of technical work done by GMIS. GMIS upgrades a copy of the application and applies State-specific modifications with testing. During the second and third pass, agency staff tests the application to find any bugs. The actual upgrade will take place from a Wednesday afternoon until the following Monday morning. The upgrade is validated to ensure the upgrade worked as expected. Once the new application has been validated, it is released to users.

GMIS will offer training in the form of handouts, guides and eLearning. The training is intended for users who are familiar with v8.4.

New Core Team Members
Introductions

In our first issue of The Magnet, we listed the names of the Core Team members. The State has added 4 new members to the Core Team. The Core Team was created to help the State move into the new financial management system as smoothly as possible. The four new members are:

Vicki Pool	Wendy Armstrong
Vicki Pool is the Director of Accounting for the Auditor of State. Her role on the core team is to help develop business processes and reporting functions related to the new Chart of Accounts and the General Ledger. Vicki has prior experience with PeopleSoft and she is, "confident that ENCOMPASS will be a wonderful system for the state."	Wendy Armstrong is the Director of Accounts Payable for the Auditor of State. Her primary role on the core team is to make sure that all transactions in Accounts Payable are carried through on the go-live date of the new Chart of Accounts. She believes that the ENCOMPASS initiative is, "headed in the right direction and moving along at a good pace, so it is important that agencies work together to see it through."
Daniel Kinnamon	**Dan Bastin**
Daniel Kinnamon is the Deputy Auditor of State. He is the ENCOMPASS project manager for the Auditor's Office. Daniel believes the ENCOMPASS project will create, "one way of doing business throughout the state that will result in better communication between the Auditor's office and state agencies, better reporting and more accurate state information."	Dan Bastin is the Settlement Director for the Auditor of State. He is a subject matter expert on the process of distributing money to local governmental entities and on 1099 reporting. Dan believes that, "everyone in the auditor of state's office is going to work hard to ensure the success of the ENCOMPASS initiative. There will be many benefits gained from all state agencies operating on the same financial system."

Maximizing Your ENCOMPASS Implementation
Part I

Are you a manager challenged with preparing your staff for successful implementation and ongoing utilization of ENCOMPASS? As a manager in an Indiana State agency, you will be the driving force behind the success of ENCOMPASS, and you will be in the best position to make the system realize its full potential.

The ENCOMPASS implementation will bring many improvements to Indiana State government financial operations. The introduction of a new Chart of Accounts and bringing the Auditor of State's office onto ENCOMPASS is a combination that will change processes, roles and procedures.

As with any major project, preparation and readiness for change will be keys to achieving ENCOMPASS goals. In the past, many of you led your teams through other big changes, and you might already be thinking of your strategies for ENCOMPASS. This article is the first in a series that provides an approach which guides you along a six-stage continuum.

Agency and individual readiness can be charted along the continuum, beginning with Awareness and ending at the final stage, Ownership. The desirable outcome is to encourage and lead your team to the stage of Ownership. Each stage is summarized as follows:

…you will be the driving force behind the success of ENCOMPASS

Awareness of the basic scope and concepts of ENCOMPASS;
General understanding of the impacts to your agency and to your functional area;
**_Personal understanding_** of the impacts and benefits, individually;
Acceptance, willingness to work with and implement changes and ready to acquire the skills to adopt the change;
Adoption, actively participating in the initiative and acquiring the skills necessary for change; and
Ownership, making the change your own and changes become institutionalized.

The stages are shown in a progressive chart below, with a simple example of a manager and two staff people plotted. You might want to create one of these charts for your office.

ENCOMPASS Six Stages of Change Continuum (example)

1. AWARENESS	2. GENERAL UNDERSTANDING	3. PERSONAL UNDERSTANDING	4. ACCEPTANCE	5. ADOPTION	6. OWNERSHIP

Manager
Staff 1
Staff 2
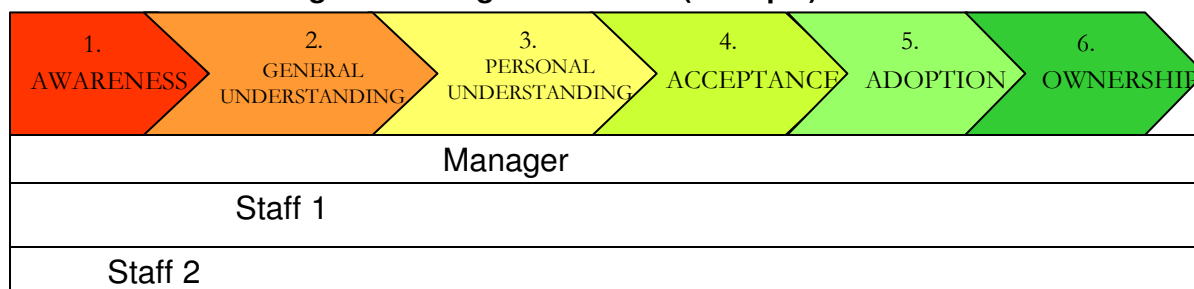
The first question to ask yourself is, where are you on this chart? If you are not at the stage you need to be, how can you get there? Next, ask yourself the same question about your staff. How do you lead your team and your colleagues forward across this continuum?

Next Issue: How can I encourage my team to the next stages?

Project Update
Project Workgroup

In response to feedback received from a number of state agencies, the ENCOMPASS team has developed a revised approach to grant and construction accounting. The new approach still supports the basic management and reporting principles of:

- One standard Project Module approach for the entire state;
- Consistent purpose and use of chartfields across the state; and
- Commitment control at the fund, project and fund source levels.

However, there are several fundamental differences from what was communicated in the INFORM document and in the December COA Presentations. The new approach:

- Will not require separate projects for each funding source (Federal, State, Local) and grant year;

- Will not require the last 3 characters of the Project chartfield to include a Funding Source Indicator ("F", "S", "L") or a year of designation. This will result in a revised 15 character Project chartfield format consisting of a 3-character business unit (same as before) and a unique 12-character agency defined / centrally coordinated Project ID (which was only 9 characters before due to the above mentioned three characters); and

- Will not require the recording of individual revenue and expense transactions for a project to separate State and Federal Funds. Originators of requisitions and purchase orders will not have to know the details of the corresponding funding sources and match percentages in order to specify how an expense should be allocated. Allocation will be automated based on parameters and rules set up in the system.

The ENCOMPASS team formed a Project Module Work Group comprised of core team agencies and state agencies that have significant grant activity and construction requirements. Those agencies are: AoS, DOH, DWD, DNR, FSSA, GMIS, ICJI, IDEM, INDOT, SBA and SBOA. This group will work together over the next 4 to 5 weeks to:

- Provide feedback on the approach;
- Discuss potential issues and, as a group, help identify standard solutions; and
- Finalize the configuration of the approach.

We will provide more detailed information about the approach at the conclusion of the team's effort.

Internal Controls – Part 3
Risk Assessment
You may recall from the last issue that, of the five components of a good internal control system, the *Control Environment* is the most critical, as the "tone from the top" sets the stage for the success of the system.

The second component, *Risk Assessment*, is also a critical element of the process. *Risk Assessment* is the identification and analysis of relevant risks to achievement of the entity's objectives, whether financial, compliance or operational, forming a basis for determining how the risks should be managed.

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Internal Controls – Part 3
Risk Assessment – Continued from Page 4

The steps for *Risk Assessment* include *Risk Identification* and *Risk Analysis*.

Risk Identification – Risks can arise from either external or internal factors. External examples include:

- New legislation, regulatory, or administrative rules;
- Economic changes that can impact decisions;
- Changing client needs.

Internal examples include:

- Disruption in information systems processing;
- Quality of personnel hired and methods of training and motivation;
- Change in management responsibilities;
- Employee accessibility to assets.

Management should identify internal and external risks that may prevent the organization from meeting its objectives

Risk Analysis – The risk analysis process includes three steps:

1) Estimating the significance or a risk.
2) Assessing the likelihood or frequency of the risk occurring.
3) Considering how the risk should be managed – what actions should be taken.

When organizational changes occur, a possible increase in risk must be considered. Mechanisms, such as regularly scheduled meetings should be in place to inform management of any changes. Management and employees should be "forward-looking" in order to analyze increased risk in advance.

Risk assessment is equally important in a small entity, but may be a less formal process.

Next issue, Control Activities – how we manage the risks.

Upcoming Events
PeopleSoft User Group Meeting

The PeopleSoft User Group meeting is scheduled for Thursday, March 8 from 10am – 12pm. The meeting will be held in the Conference Center, Room 18. You will be receiving an announcement from the group with more information.

Need Information? Have Questions?

The ENCOMPASS website no longer requires a login and password. Please visit it at anytime to get announcements and updated information. If a login screen does appear, enter your network ID and password.
ENCOMPASS Website Address: **http://myshare.in.gov/sba/encompass**

Please email us at:
encompass@sba.in.gov

If you have technical issues submit them to GMIS at
http://extranet.in.gov/gmis/issue_entry/base/issue_entry.asp